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November 18, 2009

TO: Each Supervisor

FROM: Jonathan E. Fielding, M.D., M.P.H. *Jonathan E. Fielding*
Director and Health Officer

SUBJECT: **RESOLICITATION OF ALCOHOL AND DRUG SERVICES**

On June 16, 2009, your Board approved a motion by Supervisors Antonovich and Yaroslavsky, and amended by Supervisor Ridley-Thomas, instructing the Department of Public Health (DPH) not to renew any alcohol and drug services contract for more than a one-year period or until DPH, working with the Chief Executive Office (CEO), provided a status report to the Board on its efforts to create a fair and competitive selection process (i.e., Request for Proposals [RFP]) to award contracts to such providers. Accordingly, the Board approved the renewal of 318 contracts within nine service areas for a one-year period through June 30, 2010. This is a report on the status of these contracts and the re-solicitation process.

Background on Substance Abuse Solicitations

The DPH Alcohol and Drug Program Administration (ADPA) contracts with community agencies to provide alcohol and drug prevention, treatment, and recovery services. These services are categorized in nine service areas. Service areas are funded through multiple funding streams. These funding resources include federal grants (including the Substance Abuse Prevention and Treatment Block Grant), local funds from inter-departmental transfers, net County cost, State Drug/Medi-Cal funding, and State General Funds.

Six of the nine service areas (Prevention, Drug Testing, Proposition 36, Program Evaluation for Treatment Services, Treatment Services - Children and Family services, and Treatment Services - Family Dependency Drug Court) were initially competitively bid as a result of grant funding received from local, State, and federal resources. One service area (Treatment Services - General Programs) has not been competitively bid for over 20 years. The remaining two service areas (CalWORKs Substance Abuse Services and General Relief Substance Abuse Services) have never been competitively bid. At the start of these programs, eligible agencies were identified to participate according to their service expertise either with the Welfare to Work program (CalWORKs) or with the homeless population (General Relief). Contracts these agencies have continued over the past 20 years.

Attachment 1 shows the re-solicitation schedule for the nine service areas. Because of limited internal resources available and the need to perform technical and planning activities to re-bid all nine services areas, the re-solicitation process for some of the service areas will extend beyond June 30, 2010.

Consequently, DPH will request an extension for the following agreements: Drug Testing; Proposition 36 Treatment Services; Program Evaluation for Treatment Services; Treatment Services - General Programs; Treatment Services - Children and Family Services; and Treatment Services - Family Dependency Drug Court.

Approach to Re-Solicitation

DPH is taking action to perform a comprehensive re-solicitation process. The re-solicitation will be conducted over a two-year time frame and will include the following elements:

- *Engagement Process* - DPH began an engagement process to gather input from stakeholders on program planning in the service areas. This effort is starting with current providers, and will include other county departments and members of the community involved in alcohol and other drug-related programs and policies.
- *Service Rate Study* - To ensure that the rates for the service areas are current, ADPA is working with the Auditor-Controller to secure a qualified vendor to conduct a rate study on all service areas. It is anticipated that the rate study will be completed within the current fiscal year.
- Review of best evidence on the effectiveness and cost-effectiveness of different service configurations and mixes on health, social, and economic outcomes.

ADPA is also currently working with the Auditor-Controller to ensure the ADPA RFP process and related documents are consistent with current County requirements.

Attachment 2 provides details of the major steps in re-solicitation. In general, it will take approximately nine months to execute new contracts from the date of the RFP release.

Funding Uncertainties

Funding uncertainties also impact the re-solicitation process. For instance, the adopted FY 2009-10 State budget eliminated funding for the Proposition 36 program. It is also unknown if continued funding will be available for the following services areas: Treatment Services - Department of Children and Family Services, Treatment Services- Family Dependency Drug Court, and Drug Testing. These reductions will also impact ADPA's staff resources and hence the ability to conduct the re-solicitation process and administer the contracted services.

If you have any questions or need additional information, please let me know.

JEF:tmd
PH:906:009-3

Attachments

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

**Los Angeles County - Department of Public Health
Alcohol and Drug Program Administration
2009-2011 Request for Proposals – Solicitation Schedule
November 2009**

No.	Service Areas	Last Competitive Bid Date	Target RFP Release Date	Comments
1	CalWORKs Substance Abuse Services	Not competitively bid	January 2010	Service area will be developed in collaboration with the Department of Public Social Services.
2	Prevention Services	January 1996 and May 1997	February 2010	
3	General Relief Substance Abuse Services	Not competitively bid	April 2010	Service area will be developed in collaboration with the Department of Public Social Services.
4	Drug Testing	December 2001	August 2010	Service area will provide drug testing for all contracted treatment programs.
5	Proposition 36 Treatment Services	September 2002	TBD	Due date subject to funding availability
6	Program Evaluation for Treatment Services	May 1998	October 2010	
7	Treatment Services (General Programs)	Not competitively bid since initial contract awards.	December 2010 (tentative)	Timing of the RFP process subject to the findings of the rate study.
8	Treatment Services (Children and Family Services)	October 2005	February 2011	Service area will be developed in collaboration with the Department of Children and Family Services.
9	Treatment Services (Family Dependency Drug Court)	June 2007	May 2011	Service area will be developed in collaboration with the Los Angeles Superior Court – Juvenile Division.

**Los Angeles County - Department of Public Health
Alcohol and Drug Program Administration
Substance Abuse Services RFP - Tentative Action Plan
November 2009**

No.	Action Step	Estimated Length of Time
Phase I. Planning		6-7 months
1	<i>Strategic Planning Process</i> <ul style="list-style-type: none"> •Select consultant through competitive bidding process •Execute contract •Outreach to key stakeholders and County staff •Develop Strategic Plan •Begin implementation 	180 to 210 days after execution of contract
2	<i>Rate Study</i> <ul style="list-style-type: none"> •Select consultant through Auditor-Controller's competitive bidding process •Execute contract •Develop Rate Study document •Implement Rate Study findings in future contracts 	180 to 210 days after execution of contract
Phase II. RFP Development		3 months
1	Complete RFP program specifications for draft RFP	30 days
2	Submit draft RFP to Contracts and Grants and County Counsel for approval	1 day
3	Obtain Contract and Grants and County Counsel approval	40 days from receipt of draft RFP
4	Finalize RFP Package (RFP document, Attachments, Sample Agreement, Exhibits)	14 days after County Counsel approval
Phase III. RFP Release and Review		9 months
1	Release RFP	30 days from DPH Contract and Grants and County Counsel approval
2	Conduct proposers' conference	14 calendar days from release of RFP
3	Proposals due	30 calendar days from date of the proposers' conference
4	Conduct proposal evaluation meeting	30 calendar days from receipt of proposals
5	Bidder selection	30 days from proposal evaluation meeting
6	Bidder appeals process	10 days after formal notification of proponents on results of solicitation
7	Development of Board letter for new contracts	60 days after bidder selection
8	Placement of Board letter on agenda	30 days after completion of Board letter (subject to completion of appeals process)
9	Execute contracts	Upon Board approval and upon signing of contracts